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EXAMINER
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GARG, YOGESH C

ART UNIT	PAPER NUMBER
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3625

DATE MAILED: 05/04/2006

Please find below and/or attached an Office communication concerning this application or proceeding.



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**GROUP 3600**

**BEFORE THE BOARD OF PATENT APPEALS  
AND INTERFERENCES**

Application Number: 09/838,133  
Filing Date: April 20, 2001  
Appellant(s): VERCHERE, DAVID

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Yisun Song  
For Appellant

**EXAMINER'S ANSWER**

This is in response to the Supplemental appeal brief filed 9/7/2005 appealing from the Office action mailed 10/13/2004.

**(1) Real Party in Interest**

A statement identifying by name the real party in interest is contained in the brief.

**(2) Related Appeals and Interferences**

The following are the related appeals, interferences, and judicial proceedings known to the examiner which may be related to, directly affect or be directly affected by or have a bearing on the Board's decision in the pending appeal:

The current patent application claims priority (as a C.I.P) of 09/441,204 in which an appeal brief was filed on 1/10/2005 and a Decision from the Board of Appeals was mailed on 3/29/2006 reversing the examiner's rejections of claims 10 and 20 under 35 USC 101 and rejection of claims 10 and 20 through 36 under 35 USC 103.

Note: The inventions of the parent application 09/441,204 represented by claim 10 and the instant application 09/838,133 represented by claim 1 are different.

**(3) Status of Claims**

The statement of the status of claims contained in the brief is correct.

**(4) Status of Amendments After Final**

No amendment after final has been filed. A Final Office action was mailed on 10/13/2004.

**(5) Summary of Claimed Subject Matter**

The summary of claimed subject matter contained in the brief is correct.

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### **(6) Grounds of Rejection to be Reviewed on Appeal**

The appellant's statement of the grounds of rejection to be reviewed on appeal is substantially correct. The changes are as follows:

### **WITHDRAWN REJECTIONS**

The following grounds of rejection are not presented for review on appeal because they have been withdrawn by the examiner:

(i) Rejection of claims 1-5, 7-15 and 17-20 under 35 USC 101 in view of your recent precedential decision in *Ex parte Lungren*, 76 USPQ2d 1385 (Bd. Pat. App. & Int. 2005) and (ii) Rejection of claims 1-5, 7-15 and 17-20 under 35 USC 112, first paragraph in view of the persuasive arguments presented by the Appellant (see pages 10-12 of the Appeal brief).

### **(7) Claims Appendix**

The copy of the appealed claims contained in the Appendix to the brief is correct.

### **(8) Evidence Relied Upon**

No evidence is relied upon by the examiner in the rejection of the claims under appeal.

### **(9) Grounds of Rejection**

The following ground(s) of rejection are applicable to the appealed claims: The grounds of rejection from the Final Office Action are reproduced below for the convenience of both the appellant and the Board of Patent Appeals.

Quote".....

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**Claim Rejections - 35 USC § 102**

5. The following is a quotation of the appropriate paragraphs of 35 U.S.C. 102 that form the basis for the rejections under this section made in this Office action:

A person shall be entitled to a patent unless –

(e) the invention was described in (1) an application for patent, published under section 122(b), by another filed in the United States before the invention by the applicant for patent or (2) a patent granted on an application for patent by another filed in the United States before the invention by the applicant for patent, except that an international application filed under the treaty defined in section 351(a) shall have the effects for purposes of this subsection of an application filed in the United States only if the international application designated the United States and was published under Article 21(2) of such treaty in the English language.

Claims 1-5, 7, 9-15, 17, and 19-20 are rejected under 35 U.S.C. 102(e) as being anticipated by von Rosen et al. (US 6,493,677 B1), hereinafter, referred to as Rosen.

Regarding claim 1, Rosen discloses a computer implemented method for configuring one or more products, the computer implemented (see at least abstract) comprising the steps of:

Receiving a request for a branded product fro a user through an online interface (see at least col.3, line 46-col.5, line 35, " ..... *Upon request from the consumer via the WWW browser, the WWW browser accesses and retrieves the desired hypertext documents from the appropriate WWW server.....According to an actual embodiment of the present invention, WWW server 34 is operative to provide a WWW site for creating and ordering customized branded merchandise.....*". Note: Rosen teaches receiving requests via Internet for branded products which corresponds to receiving a request via an online interface, as claimed. );

separating the product into at least an item, a process and an artwork wherein one or more item parameters, one or more process parameters and one or more artwork parameters are identified (see at least col.5, lines 35-54, wherein the product is separated into a merchandise comprising bottles and labels with image/photographs to be applied on the bottles. The order for a customized soda bottles include : bottle and soda flavor corresponding to items, designing and applying image on the label corresponds to artwork and the process of printing a label and applying to the bottle correspond to process parameters. Also see FIGS. 8A-9B, wherein FIG.9B corresponds to the item that soda bottle with a flavor and FIGS.8 A-8C and 9C corresponds to the process parameters which when the soda bottle with a flavor is linked and combined with the labels with image/photograph ordered results into the final product as "Joe's Bottles" shown in Fig.8A) ;

applying a pricing algorithm for assigning a price to the product wherein the price is based on the item, the process and the artwork where a combination of the item parameters, process parameters and artwork parameters generates the price (Note: This limitation is to be treated on merits in light of 35 USC 112, first paragraph rejection above. The reference von Rosen teaches the use of a pricing algorithm which depends on the item and associated processes (see figures: 8A, 8B, 9A, 9B, 9C and FIG.10 B ) keeping conformity and consistency with the applicant's disclosure, discussed above. Figures 9 B and 10B show a procedure/steps in assigning price to the ordered items inclusive of the associated process of designing the artwork and labeling process. Fig.9B indicates the cost, such as \$29.95 per a case of 12 ready bottles with the soda, artwork on the label and the labeling of the bottles and this price is used to finally calculate (see FIG.10 B) the Subtotal value of the ordered item plus Shipping and Handling to assign the final price to the order inclusive of items, associated processes and artwork used on the label. Note: The plain meaning of term " algorithm", as per Webster dictionary, is to use repetitively a procedure or a set of steps to solve a mathematical problem, such as arriving at a final order price shown in von Rosen and analyzed above).

linking the item parameters, the process parameters and the artwork parameters(see at least FIG.11 A which shows the order confirmation in order to supply the confirmed order complete with the branded merchandise and the graphic label with the graphic image. Also see col.10, line 43-col.11, line 4) ; and

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creating a product identifier for the product (see at least FIG.8A, " Order Number. 11299Jo" ); and

branding the product as requested, wherein the product is identified by the product identifier (see at least col.12, lines 15-24, "...At step 1316 a preview is generated and displayed. .... In an embodiment of the present invention, a bottle label is displayed that is branded with a trademark, such as "JONES SODA CO.", and that has been customized with the graphic image and text message provided by the consumer. ....". Note: The product is branded " Jones Soda Co" as requested as per the order number 11299Jo which is the product identifier as analyzed above).

Regarding claim 2, Rosen discloses that the method of claim 1 wherein the step of separating the product further comprises the step of supplying an item template (see at least FIG.9B, which corresponds to supplying a template for an item, that is soda flavor).

Regarding claim 3, Rosen discloses that the method of claim 1 wherein the step of separating the product further comprises the step of supplying a process template (see at least FIG.8A-9A and 9C corresponds to providing a process template wherein the process is designing the label with the image).

Regarding claim 4, Rosen teaches that the method of claim 2 wherein the step of separating the product further comprises the step of creating an item definition page based on the item template (see at least FIG.9 B, which corresponds to the soda flavor bottle definition page based on the item template).

Regarding claim 5, Rosen teaches that the method of claim 3 wherein the step of separating the product further comprises the step of creating a process definition page based on the process template (see at least FIG.9C, which corresponds to the soda flavor bottle label image definition page based on the process template ).

Regarding claim 7, Rosen shows that the method of claim 1 wherein the one or more parameters comprise description information (see at least see at least Fig.3, " Product database 98", " Image database 100", and col.6, lines 50-67 which disclose that both product database 98 and image database 100 store descriptive information about products and images such as different types of flavor for sodas, see at least col.10, lines 10-18).

Regarding claim 9, Rosen discloses that the method of claim 1 wherein the one or more parameters comprise pricing information (see at least FIG.9B and FIG.10B wherein prices for soda bottles are disclosed).

Regarding claim 10, Rosen discloses that the method of claim 1 wherein the step of creating a product identifier comprises dynamically creating the product identifier when the product is sourced, quoted or ordered (see at least FIG.8A, " Order Number. 11299Jo" which is created dynamically when the product is sourced, quoted or ordered. ).

Regarding system claims 11-15, 17, and 19-20 they are parallel to the method claims 1-5, 7 and 9-10 and are therefore, analyzed and rejected based on same rationale.

### **Claim Rejections - 35 USC § 103**

6. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary

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skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

Claims 8 and 18 are rejected under 35 U.S.C. 103(a) as being obvious over Rosen and further in view of Official Notice.

Regarding claim 8, Rosen discloses a method for configuring one or more products as analyzed and discussed in claim above. Rosen does not disclose that in claim 1 the parameters comprise quantity break pricing information. However, the examiner takes an Official Notice that both the concept and the benefits of quantity break pricing information are notoriously old and well-known in selling and buying transactions because a quantity break motivates the buyer to purchase more in quantity, as he saves money, and at the same time benefits the seller for accruing increased revenue and also profits. Therefore, in view of the Official Notice, it would have been obvious to a person of an ordinary skill in the art at the time of the applicant's invention to have modified Rosen to incorporate the concept of providing a quantity break pricing information while selling soda bottles, because a quantity break will motivate the buyer to purchase more in quantity, as he saves money, and at the same time will benefit the seller for accruing increased revenue and also profits.

Regarding system claim 18, it is parallel to the method claim 8 and is therefore, analyzed and rejected based on same rationale.

“

Unquote:

## **(10) Response to Argument**

### **A. Independent claim 1 is Patentable over Rosen et al. under 35 USC 102 (e).**

The applicant argues (see AB on page 13, lines that the cited reference Rosen et al. (hereinafter Rosen) fails to anticipate the limitation “, “applying a pricing algorithm for assigning a price to the product wherein the price is based on the item, the process and the artwork where a combination of the item parameters, process parameters and artwork parameters generates the price”. The examiner respectfully disagrees . The reference Rosen teaches the use of a pricing algorithm which generates a combination price of the item and associated processes (see figures: 8A, 8B, 9A, 9B, 9C and FIG.10) and is consistent with the applicant's disclosure

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(see Applicant's specification page 8, lines 12-14 which discloses a pricing algorithm that depends on the item and associated processes chosen). Figures 9 B and 10B in Rosen show a procedure/steps in assigning price to the ordered items for a combination of the item, that is type of soda, the associated process of designing the artwork and labeling process. Fig. 9B indicates the cost, such as \$29.95 per a case of 12 ready bottles with the soda, artwork on the label and the labeling of the bottles and a price for this combination of price is used to finally calculate (see FIG. 10 B) the Subtotal value of the ordered items plus Shipping and Handling to arrive at the final price of the order inclusive of items, associated processes and artwork used on the label. Note: The order for a customized soda bottles include: bottle and soda flavor corresponding to items, designing and applying image on the label corresponds to artwork and the process of printing a label and applying to the bottle correspond to process parameters. The plain meaning of term "algorithm", as per Webster dictionary, is to use repetitively a procedure or a set of steps to solve a mathematical problem, such as arriving at a final order price shown in Rosen and analyzed above.

The applicant further argues (see AB page 14, lines 1-16) that the "pricing" in Rosen does not involve the other cited steps of claim 1, that is (i) "separating the product into at least an item.....artwork parameters are identified", (ii) "applying a pricing algorithm.....generates the price", (iii) "linking the item.....artwork parameters, and (iv) "creating a product identifier for the product". The examiner respectfully disagrees.

In response to applicant's argument that the references fail to show certain



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features of applicant's invention, it is noted that the features upon which applicant relies (i.e., pricing step involves (i) "separating the product into at least an item.....artwork parameters are identified", (iii) " linking the item.....artwork parameters, and (iv) "creating a product identifier for the product" ) are not recited in the rejected claim(s). These three steps, as recited in claim 1 are independent of pricing . Although the claims are interpreted in light of the specification, limitations from the specification are not read into the claims. See *In re Van Geuns*, 988 F.2d 1181, 26 USPQ2d 1057 (Fed. Cir. 1993). As regards the step, (ii) " applying a pricing algorithm....generates the price ", Rosen suggests this, as analyzed above.

Regarding the limitations, (i) "separating the product into at least an item.....artwork parameters are identified", (iii) " linking the item.....artwork parameters, and (iv) "creating a product identifier for the product" of claim 1, Rosen teaches them as analyzed in the Final Office action mailed on 10/13/2004 on pages 10-12.

The applicant also argues, (see AB page 14, line 22- page 15, line 7) that Rosen does not disclose that " As the customer modifies the various parameter, the corresponding price will be modified accordingly...."). In response to applicant's argument that the references fail to show certain features of applicant's invention, it is noted that the features upon which applicant relies (i.e., if a customer modifies the various parameters it will result in a corresponding modified price....) are not recited in the rejected claim(s). Although the claims are interpreted in light of the specification, limitations from the specification are

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not read into the claims. See *In re Van Geuns*, 988 F.2d 1181, 26 USPQ2d 1057 (Fed. Cir. 1993). The applicant's arguments that modification of one of the parameters would result in a modified price merely states a result that would take place only if the step of modifying one of the parameters is also included in claim 1 but which at present is not there. Further, a change in the parameter of the item, such as quantity of the item being ordered in Rosen would also end up modifying the price.

In view of the foregoing, rejection of claim 1 is sustainable as being anticipated by Rosen.

**B. Independent claim 11 is Patentable over Rosen et al. under 35 USC 102 (e).**

Since the limitations of claim 11 are similar to claim 1, rejection of claim 11 is also sustainable as being anticipated by Rosen on the basis of same rationale.

**C      Dependent claims 8 and 18 are Patentable over Rosen et al. in view of Official Notice.**

The applicant argues (see AB pages 17, lines 1-20) that he traversed the examiner's reliance on Official Notice in rejecting claims 8 and 18 in the Office action mailed on 4/28/2004 and despite the "Appellants traversal of the Examiner's Official Notice, the Examiner has refused to provide a documentary evidence in the next office action.....to satisfy the substantial evidence test". The examiner disagrees.

In response, the examiner draws attention to MPEP 2144.03 [R-1] Reliance on Common Knowledge in the Art or "Well Known". **It is required on the part of the Appellant to adequately challenge/traverse a Factual assertion as not properly Officially Noticed to specifically point out the supposed errors in the examiner's action, which would include stating why the noticed fact is not considered to be common knowledge or well-known in the art. See 37 CFR 1.111(b). See also Chevenard, 139 F.2d at 713, 60 USPQ at 241 ("[I]n the absence of any demand by appellant for the examiner to produce authority for his statement, we will not consider this contention.").** A general allegation that the claims define a patentable invention without any reference to the examiner's assertion of official notice would be inadequate. The applicant in response to the examiner's relying on Official Notice to reject claims 8 and 18 in the office action mailed on 4/28/2004 submitted the following traversal (see Applicant's Amendment, page 8, received on 7/28/2004)

“ With respect to claims 8 and 18, the Office Action relies upon Official Notice to address quantity break pricing parameters. The Office Action alleges that the concept and benefits of quantity break pricing information are notoriously old and well known in selling and buying transactions because a quantity break motivates the buyer to purchase more in quantity (page 8, Office Action mailed 4/28/04). Applicant respectfully traverses such a finding. The identification of quantity break pricing information as process parameters, as recited by Applicant, is not well known and common in the art. ”.

The examiner did not find the above cited applicant's traversal adequate because (i) it did not specifically **point out the supposed errors in the examiner's action, which would include stating why the noticed fact is not considered to be common knowledge or well-known in the art, that is providing an evidence to contrary that quantity break pricing is not used in selling and buying transactions or that a quantity break does not motivate the buyer to purchase more in quantity or does not save the buyer money , (ii) did not demand the examiner to produce authority/ evidence/ affidavit to substantiate his Official Notice. Accordingly, in line with MPEP 2144.03 [R-1] (C ) the examiner** clearly indicated in the next Office action, which was a Final Office action mailed on 10/13/2004 that the common knowledge or well-known in the art statement is taken to be admitted prior art because applicant either failed to traverse the examiner's assertion of official notice or that the traverse was inadequate.

**The applicant has demanded for an evidence/affidavit to substantiate the Official Notice for the first time in the Appeal Brief and which is not a**

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**seasonable demand as it should have been made clearly in his response immediately to the examiner's reliance in non-final office action mailed on 4/28/2004.**

**The examiner** relied on Official Notice in rejecting claims 8 and 18 because the concept and the benefits of quantity break pricing information are notoriously old and well-known in selling and buying transactions because a quantity break motivates the buyer to purchase more in quantity, as he saves money, and at the same time benefits the seller for accruing increased revenue and also profits. The fact, that quantity break pricing is notoriously well-known in buying and selling transactions is capable of instant and unquestionable demonstration as being well-known. As noted by the court in *In re Ahlert*, 424 F.2d 1088, 1091, 165 USPQ 418, 420 (CCPA 1970), the notice of facts beyond the record which may be taken by the examiner must be "capable of such instant and unquestionable demonstration as to defy dispute" (citing *In re Knapp Monarch Co.*, 296 F.2d 230, 132 USPQ 6 (CCPA 1961)). In *Ahlert*, the court held that the Board properly took judicial notice that "it is old to adjust intensity of a flame in accordance with the heat requirement." See also *In re Fox*, 471 F.2d 1405, 1407, 176 USPQ 340, 341 (CCPA 1973) (the court took "judicial notice of the fact that tape recorders commonly erase tape automatically when new audio information' is recorded on a tape which already has a recording on it"). In appropriate circumstances, it might not be unreasonable to take official notice of the fact that it is desirable to make something faster, cheaper, better, or stronger without the specific support of documentary evidence.

However, since the appellant has demanded an evidence for the concept of using quantity break pricing in buying and selling transactions, the examiner refers to the following US Patents and Publications as evidence only and not as new grounds of rejection that the concept of using quantity break pricing is well-known:

(i) US Patent 5570291 A to Dudle et al. (col.15, lines 18-38 and Fig.4, "... *The sales representative has access to alternate information **such as price and quantity breaks**,...* ").

(ii) US Patent 5615109A to Eder ( see at least col.28, lines 10-23, "...*The system then determines if **the quantity price breaks** offered by the selected vendor provide sufficient cost savings to change the calculated economic order quantity....* ").

(iii) US Patent 5978811A to Smiley (see at least col.3, lines 7-27, "...*N other OBJECTS may be defined by N RELATIONSHIP entities 14 as containing **N price break definitions based on quantities purchased**.....*". Objects are computer programs.).

(iv) US Patent 5311438A to Sellers et al. (see at least col.70, lines 53-57, "*Enter price break information for each line item. **Price breaks are discounts given to an item based on the release quantity and container. Usually, the larger the quantity, the lower the price.*** ").

(v) US Patent 5146404A to Calloway et al. (see at least col.7, line 31-col.8, line 6, "*Pricing information is also included in the part detail file. Preferably, **the price data display is dynamic in the sense that quantity price breaks are shown as applicable to assist the user in deciding how many units of the identified part are to be ordered.** As shown in the Appendix, the unit price for an ordered quantity is shown along with the unit price for the next lower price break point and the next higher price break point. ....* ").

The applicant further argues (see AB, page 18, lines 4-22) that the primary reference Rosen does not disclose any problem or recognition that would necessitate the proposed modification and at best the modification of Rosen to combine the teachings of Official Notice is based purely on improper hindsight. The examiner disagrees. In response to applicant's argument that the examiner's conclusion of obviousness is based upon improper hindsight reasoning, it must be recognized that any judgment on obviousness is in a sense necessarily a reconstruction based upon hindsight reasoning. But so long as it takes into account only knowledge which was within the level of ordinary skill at the time the claimed invention was made, and does not include knowledge gleaned only from the applicant's disclosure, such a reconstruction is proper. See *In re McLaughlin*, 443 F.2d 1392, 170 USPQ 209 (CCPA 1971). In this case the knowledge of quantity break pricing was well-known, as analyzed above and is not based upon the applicant's disclosure and it would be obvious to one of an ordinary skilled in the art to use the concept of quantity break pricing while selling soda bottles, because a quantity break will motivate the buyer to purchase more in quantity, as he saves money, and at the same time will benefit the seller for accruing increased revenue and also profits.

In response to applicant's argument that there is no suggestion to combine the references, the examiner recognizes that obviousness can only be established by combining or modifying the teachings of the prior art to produce the claimed invention where there is some teaching, suggestion, or motivation to

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do so found either in the references themselves **or in the knowledge generally available to one of ordinary skill in the art**. See *In re Fine*, 837 F.2d 1071, 5 USPQ2d 1596 (Fed. Cir. 1988) and *In re Jones*, 958 F.2d 347, 21 USPQ2d 1941 (Fed. Cir. 1992). In this case, the suggestion or motivation to combine the teachings of Rosen and Official Notice would be obvious **to one of ordinary skill in the art** to use the concept of quantity break pricing while selling soda bottles, because a quantity break will motivate the buyer to purchase more in quantity, as he saves money, and at the same time will benefit the seller for accruing increased revenue and also profits.

In view of the foregoing rejection of claims 8 and 18 under USC 35 103 is sustainable.

**D      Dependent claims 2-5, 7-10, 12-15 and 17-20 are each separately patentable over Rosen et al.**

The applicant has argued that rejection of each of the above cited dependent claims is improper for the reasons set forth with respect to claims 1 and 11 because Rosen et al. fails to show each and every limitation of the respective claims and there is no teaching or motivation to modify any of the applied references to include the feature of respective claims.

In response, the examiner would like to state that the applicant's argument that rejection of each of the above cited dependent claims is improper for the reasons set forth with respect to claims 1 and 11 is not persuasive for reasons as analyzed above while analyzing the applicant's arguments against claims 1 and



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11. Further, the applicant's argument that there is no teaching or motivation to modify any of the applied references to include the feature of respective claims is not relevant as all these claims are rejected under 35 USC 102 (e) wherein no teaching or modification is required to modify the reference.

Finally, the applicant's argument that Rosen et al. does not teach the individual limitations of the respective dependent claims is a conclusive statement without pointing out specifically any error in the examiner's cited excerpts from Rosen et al. , see above in the " Grounds of Rejection" for claims 2-5, 7-10, 12-15 and 17-20 (Note: Previously, the applicant's argument , see Amendment filed on 7/28/2004 on page 8, lines 10-15 against the dependent claims 2-5, 7-10, 12-15 and 17-20 was directed to the fact that since they are dependent on claims 1 and 11 they should be allowed and not on the basis of their individual limitations cited in them.).

In absence of the applicant's arguments to examiner's contentions (i) by pointing out disagreements with the examiner's contentions and (ii) by discussing and explaining how the claims avoid the references or distinguish from them, the applicant's traversal is inadequate for claims 2-5, 7-10, 12-15 and 17-20 and not enabling for the examiner to respond. For example, in claim 2, the examiner stated that Rosen discloses the step of separating the product further comprises the step of supplying an item template and referred to Fig..9 B corresponding to supplying a template for an item that is soda flavor. The applicant has neither pointed out or discussed as how the limitation of claim 2 avoids the examiner's

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contention that Fig..9 B corresponds to supplying a template for an item that is soda flavor.

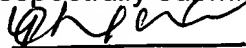
**(11) Related Proceeding(s) Appendix**

Copies of the court or Board decision(s) identified in the Related Appeals and Interferences section of this examiner's answer are provided herein.


A copy of the Board's Decision mailed on 3/29/2006 for the application 09/441204 to which the instant application claims priority as a C.I.P is enclosed.

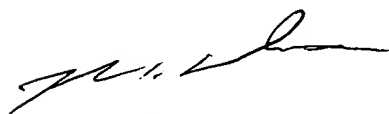
For the above reasons, it is believed that the rejections should be sustained.

Respectfully submitted,

  
Yogesh C. Garg  
Primary Examiner  
Au3625

Conferees:

  
Jeffrey A. Smith  
Primary Examiner AU 3625

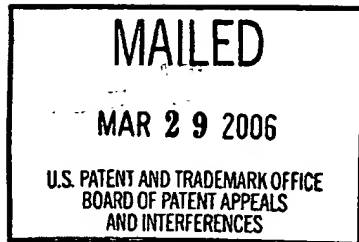
 5-1-06  
John Weiss  
SPE AU 3629

The opinion in support of the decision being entered today  
was **not** written for publication and  
is **not** binding precedent of the Board.

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE BOARD OF PATENT APPEALS  
AND INTERFERENCES

Ex parte DAVID VERCHERE



Appeal No. 2006-0530  
Application No. 09/441,204

HEARD: March 7, 2006

Before FRANKFORT, BAHR and NAPPI, **Administrative Patent Judges.**

NAPPI, **Administrative Patent Judge.**

**DECISION ON APPEAL**

This is a decision on appeal under 35 U.S.C. § 134 of the rejection of claims 10 and 20 through 36, the only claims remaining in the application. For the reasons stated *infra* we reverse the examiner's rejection of these claims.

**Invention**

The invention relates to a system that provides a real-time exchange for all participants in the promotional products industry, including customers, resellers and vendors. See pages 4 and 5 of appellant's specification.

Claim 10 is representative of the invention and is reproduced below:

10. A computer implemented system for acquiring branded promotional products comprising:

a database containing product information wherein the product information comprises product data and imprinting data related to a plurality of branded promotional products;

a products web page where a customer or a reseller accesses the products web page to acquire at least one branded promotional products;

a reseller showcase web page where a customer accesses the reseller showcase web page to acquire at least one branded promotional products;

a vendor showcase web page where a reseller accesses the vendor showcase web page to acquire at least one branded promotional products;

a front office module for providing purchase order information and marketing information and receiving at least one order from one or more resellers or customers wherein the at least one order is related to the plurality of branded promotional products;

a bidding module for enabling at least one or more resellers or customers to present at least one order and enabling at least one vendor to bid on the presented order wherein the at least one order is related to the plurality of branded promotional products;

an artwork library for storing customer's logo and branding artwork associated with the plurality of branded promotional products; and

a processor for processing orders received from the front office module; .

wherein the database, the products web page, the reseller showcase web page, the vendor showcase web page, the front office module, the bidding module, the artwork library and the processor are interoperably connected.

## References

**The references relied upon by the examiner are:**

Conklin et al. (Conklin)	6,141,653	Oct. 31, 2000 (filed Nov. 16, 1998)
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Promomart: "[www.promomart.com](http://www.promomart.com)," Internet Archive Wayback Machine, [www.archive.org](http://www.archive.org)," (January 1998).

Busch, Melanie, "Companies Spin Own Webs with Intranets," Tulsa World, (August 25, 1996).

Business Wire, "911gifts.com Expands Features, Service and Merchandise to Rescue Holiday Shoppers," (November 16, 1998).

## Rejection at Issue

Claims 21 through 36 stand rejected under 35 U.S.C. § 101 as being as being drawn to non-statutory subject matter. Claims 10 and 20 stand rejected under 35 U.S.C. § 103 as being unpatentable over Conklin in view of Promomart.

**Claims 21, 23 through 26 and 28 through 36 stand rejected under 35 U.S.C.**

**§ 103 as being unpatentable over Conklin in view of Promomart and Busch.**

Claims 22 and 27 stand rejected under 35 U.S.C. § 103 as being unpatentable over Conklin in view of Promomart, Busch and Business Wire

### **Opinion**

We have carefully considered the subject matter on appeal, the rejections advanced by the examiner and the evidence of obviousness relied upon by the examiner as support for the rejections. We have, likewise, reviewed and taken into consideration, in reaching our decision, appellant's arguments set forth in the briefs along with the examiner's rationale in support of the rejections and arguments in rebuttal set forth in the examiner's answer.

With full consideration being given to the subject matter on appeal, the examiner's rejections and the arguments of appellant and the examiner, and for the reasons stated *infra* we do not sustain the examiner's rejection of claims 21 through 36 under 35 U.S.C. § 101 or the examiner's rejections of claims 10 and 20 through 36 under 35 U.S.C. § 103.

#### **Rejection of claims 21 through 36 under 35 U.S.C. § 101**

The examiner's rejection of claims 21 through 36 under 35 U.S.C. § 101 is set forth on page 5 of the Office Action dated August 10, 2004. The examiner's rejection asserts that the rejected claims are directed to an abstract idea and have "no practical application in the technological arts". Appellant argues on pages 8 through 11 of the brief that the claims are drawn to statutory subject matter as the proper test is whether the claimed steps perform concrete, tangible and useful results.

We agree with the appellant. In our recent precedential decision in *Ex parte Lungren*, 76 USPQ2d 1385 (Bd. Pat. App. & Int. 2005), we established that “there is currently no judicially recognized separate ‘technological arts’ test to determine patent eligible subject matter under §101” *Lungren* at 76 USPQ2d 1388. Thus, we find that the examiner’s rejection is ill founded. Further, while the examiner identifies on page 5 of the Office Action mailed August 10, 2004, that *AT&T v. Excel Communications Inc.*, 172 F3d 1352, 50 USPQ2d 1447 (Fed. Cir. 1999) sets forth a concrete, tangible and useful test for patent eligible subject matter, the examiner does not provide any analysis or facts to support a finding that claims 21 through 36 do not produce a concrete, tangible and useful result. Accordingly, we hold that the examiner has not established sufficient facts or analysis to support a rejection under 35 U.S.C. § 101 and will not sustain the examiner’s rejection of claims 21 through 36 under 35 U.S.C. § 101.

**Rejection of claims 10 and 20  
under 35 U.S.C. § 103**

The examiner’s rejection of claims 10 and 20 under 35 U.S.C. § 103 as being unpatentable over Conklin in view of Promomart, is set forth on pages 6 through 12 of the Office Action dated August 10, 2004.

Appellant argues, on page 13 of the brief, that the Conklin reference teaches a bi-level network between buyers and sellers, which is different than the claimed invention which provides a multi level network among sellers, resellers and vendors. Appellant points to the limitations of claims 10 and 20 which recite a products web page, a reseller showcase web page and a vendor showcase web page. Appellant further argues:

[T]he Office Action alleges that Conklin's disclosure of sellers meets the claim limitation of not only vendors, but resellers. However, by applying the overly broad definition proposed by the Office Action, the examiner has combined two distinct limitations into a single element thereby essentially eliminated [sic] the entire reseller limitation in the claims.

Appellant argues, on pages 16 through 18 of the brief, that Promomart does not make up for the alleged deficiencies in Conklin and that the examiner has not established a proper motivation to combine the references.

In response the examiner asserts, on page 4 of the answer, that Conklin teaches examples of online communities that demonstrate the versatility of a sponsored community, but is not limited to buyers and sellers, and that Conklin teaches multiple entry points. The examiner identifies a seller as "any entity engaged in selling- a reseller, a vendor, or supplier." Further, regarding the motivation to combine the references, the examiner states on page 6 of the answer:

Given the suggestion of potential uses by Conklin, the Appellant is confusing hindsight reconstruction with creative uses for the Conklin invention. Conklin and Promomart in combination teach and/or suggest an online community of participants engaged in the buying and selling of branded promotional products.



We disagree with the examiner's rationale. In rejecting claims under 35 U.S.C. § 103, the Examiner bears the initial burden of establishing a *prima facie* case of obviousness. *In re Oetiker*, 977 F.2d 1443, 1445, 24 USPQ2d 1443, 1444 (Fed. Cir. 1992). *See also In re Piasecki*, 745 F.2d 1468, 1472, 223 USPQ 785, 788 (Fed. Cir. 1984). The Examiner can satisfy this burden by showing that some objective teaching in the prior art or knowledge generally available to one of ordinary skill in the art suggests the claimed subject matter. *In re Fine*, 837 F.2d 1071, 1074, 5 USPQ2d 1596, 1598 (Fed. Cir. 1988). Only if this initial burden is met does the burden of coming forward with evidence or argument shift to the Appellant. *Oetiker*, 977 F.2d at 1445, 24 USPQ2d at 1444. *See also Piasecki*, 745 F.2d at 1472, 223 USPQ at 788. An obviousness analysis commences with a review and consideration of all the pertinent evidence and arguments. "In reviewing the [E]xaminer's decision on appeal, the Board must necessarily weigh all of the evidence and argument." *Oetiker*, 977 F.2d at 1445, 24 USPQ2d at 1444. "[T]he Board must not only assure that the requisite findings are made, based on evidence of record, but must also explain the reasoning by which the findings are deemed to support the agency's conclusion." *In re Lee*, 277 F.3d 1338, 1344, 61 USPQ2d 1430, 1434 (Fed. Cir. 2002). In this case the examiner has presented no objective evidence that the combination of Conklin and Promomart teach all of the limitations of the claims or that one of ordinary skill in the art would have been motivated to combine the references as asserted.

Claim 10 contains limitations directed to "a products web page where a customer or a reseller accesses the products web page", "a reseller showcase web page where a customer accesses the reseller showcase web page", "a vendor showcase web page where a reseller accesses the vendor showcase web page" and "a bidding module for enabling at least one or more resellers or customers to present at least one order and enabling at least one vendor to bid on the presented order." Claim 20 contains similar limitations. Thus, claims 10 and 20 recite limitations directed to different access points and actions for three different entities, customers, resellers and vendors. Vendors bid on presented orders. Resellers present orders, and can access the vendor showcase web page as well as the products web page. Customers present orders and can access the reseller showcase web page and the products web page.

We find that Conklin teaches four entities involved in an interactive system for processing bids. The four entities are the buyer, seller, sponsor, and the commerce system provider. See column 14, lines 1 through 4, lines 11 through 14 and 31 through 38. The sponsor establishes standards for the community and the commerce provider administers the system, neither of which corresponds to one of the three entities recited in appellant's claims. We do not find that Conklin teaches the interactions between the three parties as recited in the claims. Conklin's buyer and seller may be equivalent to the claimed customer and vendor or Conklin's seller may be a reseller. However, regardless of which claimed entity Conklin's seller meets, vendor or reseller, the examiner has not shown, nor do we find that Conklin teaches an entity which meets the

other (i.e. if Conklin's seller meets the vendor there is no entity which meets the claimed reseller and if Conklin's seller meets the claimed reseller, there is no entity which meets the claimed vendor).

We find that Promomart teaches a system whereby a customer can access a web site to gain information on branded promotional products and receive a referral to a seller who produces the product. However, we do not find that Promomart teaches the interactions between the three parties as recited in the claims.

Additionally, we do not find that either Conklin or Promomart provides objective evidence that would have suggested the combination asserted by the examiner. For the forgoing reasons, we will not sustain the examiner's rejection of claims 10 and 20.

**Rejection of claims 21, 23 through 26 and  
28 through 36 under 35 U.S.C. § 103**

The examiner's rejection of claims 21, 23 through 26 and 28 through 36 under 35 U.S.C. § 103 as being unpatentable over Conklin in view of Promomart and Busch, is set forth on pages 12 through 19 of the Office Action dated August 10, 2004.

On pages 19 and 20 of the brief, appellant states that independent claims 21 and 26 recite a system with a "vendor entry point interface", "a vendor showcase module" and "a reseller entry point interface." Appellant argues that Conklin teaches a bi-level network between buyers and sellers and fails to disclose the claimed entry points and modules. Further, on pages 21 through 23

of the brief appellant argues that Promomart and Busch do not make up for the alleged deficiencies in Conklin and that the examiner has not established a proper motivation to combine the references.

In response the examiner states, on page 7 of the answer, that Busch was cited as teaching the limitation of a company logo store and that Conklin and Promomart teach multiple entry points and modules as discussed with respect to claims 10 and 20.

We disagree with the examiner's rationale. Independent claim 21 and 26 each recite several limitations which are directed to the interrelations between the vendor, reseller and customer. We consider the scope of claim 21 to include an entry point which allows the vendor to enter data into the product database, where the vendor is the entity who supplies the products and imprinting service. Similarly, claim 21 recites a reseller entry point where resellers can obtain ordering access to the system where the reseller is the entity that resells products to customers. Claim 26 contains similar limitations, thus, we find that independent claims 21 and 26 recite three distinct entities. As discussed *supra*, we do not find that the combination of Conklin and Promomart teach a system where a vendor, reseller and customer interact. The examiner has not asserted, nor do we find that Busch teaches that the systems of Conklin and Promomart should be modified to include such an interaction. Accordingly, we will not sustain the examiner's rejection of 21, 23 through 26 and 28 through 36

**Rejection of claims 22 and 27  
under 35 U.S.C. § 103**

The examiner's rejection of claims 22 and 27 under 35 U.S.C. § 103 as being unpatentable over Conklin in view of Promomart, Busch and Business Wire, is set forth on pages 19 and 20 of the Office Action dated August 10, 2004.

Claims 22 and 27 are dependent upon claims 21 and 26, respectively. As discussed *supra*, we do not find that the combination of Conklin, Promomart and Busch teach the limitations of claims 21 and 26. The examiner has not asserted nor do we find that the Business Wire article provides a teaching or suggestion to modify the system of Conklin to include the claimed interactions between the vendor, reseller and customer. Accordingly, we will not sustain the examiner's rejection of claims 22 and 27.

In summary, we do not sustain the examiner's rejection of claims 21 through 36 under 35 U.S.C. § 101 or the examiner's rejections of claims 10, 20 through 36 under 35 U.S.C. § 103. The decision of the examiner is reversed.

**REVERSED**

*Charles E. Frankfort*  
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JENNIFER D. BAHR  
Administrative Patent Judge

  
ROBERT E. NAPPI  
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